EAST LOTHIAN COUNCIL STATEMENT OF ACCOUNTS 2009/10

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Foreword

FOREWORD

Welcome to the Council's accounts for 2009/10. This was another eventful year for the Council and I hope you find these to be an understandable guide to the most significant financial matters that have arisen within the Council and its wider group. In writing this foreword for you it is not my intention to comment on the policies of the Council, rather to explain the financial facts about what happened in 2009/10, which should help you form your own view.

The accounts that follow are prepared in accordance with the relevant accounting standards and statutory requirements. These are applied in East Lothian by using the Accounting Policies explained in the section that follows this foreword.

The main statements are the Core Financial Statements, which are:

- Income and Expenditure Account: this outlines the financial performance of the Council in 2009/10 (1 April 2009 to 31 March 2010)
- Balance Sheet: this details the net worth of the Council at 31 March 2010 after taking into account the performance for the year shown in the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses
- Statement of Total Recognised Gains and Losses: which itemises changes in net worth including those that are not recorded in the Income and Expenditure Account
- Cash Flow Statement: this provides another way of looking at the performance for the year removing the accrual of income and expenditure (see Accounting Policy 2) and showing how the cash in and out of the Council has affected the opening and closing cash position
- Statement of Movement on the General Fund Balance: the statutory
 accounting requirements that the Council must follow are sometimes
 different from the Accounting Standards that we are also required to
 follow. When this happens statutory requirements take precedence,
 which means we then have to reconcile the Income and Expenditure
 Account prepared under Accounting Standards with the statutory
 position.

In addition to these main statements we have provided more information through the notes, supplementary statements and group statements.

Performance compared to budget

General Services

The headline figure for the 2009/10 financial year is that the Council has made a statutory surplus of just over £0.9 million. This is significantly better than that expected when the 2009/10 budget was agreed by Council in February 2009. Indeed at that point the Council estimated that it would need to use £3.75 million of reserves to balance planned spending.

The factors that feed into this result are many and varied but include:

- Slightly better than anticipated council tax receipts generating approximately £136,000 more income than expected
- Lower than expected spending within some service departments –
 particularly Adult Social Care which spent £1.3 million less than planned.
- Unanticipated receipts such as the recovery of VAT and utilities charges.
 In total these recoveries totalled almost £1.0 million for the year.
- Savings on debt interest and repayments totalling just over £2.0 million

What we have also seen – across almost all services – has been budget holders responding well in advance of the expected tightening of the public finances. When posts have become vacant they have often not been filled and elements of discretionary spending have been postponed. All these small decisions at a local level have had an effect on the overall 2009/10 financial results.

One area that causes some concern has been the performance of the schools under Devolved School Management (DSM). Going into the 2009/10 financial year there were 10 schools with cumulative deficits of almost £91,000. By the end of the financial year this number had grown to 18 schools with a cumulative deficit of £173,000.

In overall terms however, the statutory surplus for the year of £0.9 million is a welcome addition to reserves especially given the difficult financial conditions forecast for UK public services in the coming years.

Trading Operations

Under Best Value legislation the Council has to identify and separately account for Significant Trading Operations (STOs). Unlike other Council services, each of the trading operations has the statutory financial target of breaking even over a cumulative three-year period. This is seen as an important indicator of whether Best Value has been achieved in these services. For 2009/10 the Council added two new STOs. These were for Care Homes and Domiciliary Care Services.

For 2009/10 the Facility Services, Property Maintenance and Roads Services STOs comfortably met the statutory financial target. The Sportplus STO transferred out of the Council into a not-for-profit company halfway during the year and the figures within this set of accounts are only for six months. The Sportplus result for 2009/10 was a deficit of £185,000. However, over £259,000 of this relates to a 'one-off' charge of non-domestic rates relating to the transfer and the underlying picture is that Sportplus continued their improvement in financial performance for the fourth consecutive year.

Both the new STOs posted a loss in their first full year of operation and work will be done over the next two years to ensure that they meet the statutory financial target.

Council Housing (Housing Revenue Account)

The main feature this year on the Housing Revenue Account (HRA) is that after the transfer of balances to General Services of £659,000 as planned, there remains a surplus of £950,000. However, this is lower than the planned surplus for the year (£1.198 million) mainly as a result of a slower than planned delivery of new homes and the resultant shortfall in the rent they deliver. Going into 2010/11 the HRA balance now stands at £3.57 million. This will be retained within the HRA and factored into future budgets.

Group Accounts

The group accounts bring together the finances of the Council with its subsidiary and associate organisations to provide a wider overview of the financial position. The most striking aspect of the group position is that the net worth of the group at 31 March 2010 (£136.4 million) is less than the net worth of the Council (£289.4 million), which is something I noted last year and which has further worsened. This is mainly due to the pensions liability associated with the Police Service and indicates that future East Lothian taxpayers are exposed to broader financial liabilities in the future than are apparent from the Council accounts alone. In this example, there is a risk which appears to be growing that the pension liability will place increased pressure on the future requisitions made by the Police Joint Board on East Lothian Council.

Pensions

The pensions Accounting Standard (FRS17) has led to considerable comment about the financial position of public sector pension schemes, and in these accounts (especially Note 26) you will find extensive information that has been provided by an independent actuary on the Council's pension position.

The current position is that the Council's net pension liability has been assessed as being £142.8m at 31 March 2010. This is a significant deterioration on the position a year ago (liability £59.3 million). The change is mainly due to a growth in the value of liabilities, which reflects the current low interest rate environment currently evident in the UK economy. I have commented in previous years about how volatile the FRS17 results are and results this year have once again illustrated this point.

Despite the large increase in the reported position of the pension liability, the underlying management position is unchanged. In the long-term, the liability will continue to be measured and monitored, with the required changes made to the cash contributions the Council makes to the Pension Fund as part of an assessment made by an independent actuary every 3 years. The next independent valuation is at 31 March 2011 and will be available in time for the budget set in February 2012.

Change in Accounting Policies

To comply with changes in Accounting Standards requirements, we made one change to accounting policies, and this is explained in Note 2 to the Core Financial Statements.

Capital Investment Plans

In 2009/10, we invested £51.8 million in assets that support service delivery within East Lothian, which is an increase on the previous year (£49.6 million). Provided UK public expenditure constraints do not lead to central government control and rationing of capital expenditure, the Council plans to continue this level of investment in future years and may increase expenditure, especially on council housing.

We usually finance capital investment by using long-term borrowing, although investment in our 6 secondary schools has been delivered through a Public Private Partnership (PPP). During 2009/10 our borrowing increased to £206.9 million (2008/09: £179.1 million) to finance capital expenditure for the year.

Ultimately the cost of borrowing, whether through debt or to meet PPP unitary charge payments has to be met from future tax, grant or rent receipts which are the main sources of funding for the Council. Receipts from these sources are shown in the Income & Expenditure Account and the Supplementary Statement for the Housing Revenue Account. It is important to understand that when organisations lend to us they secure that debt on our future income stream not on our fixed assets. In this context any major change in the income stream may have a significant impact on our investment plans and vice versa. Council housing is a growing element of overall capital expenditure and debt and this is associated with the increase in rents in recent years, which is planned to continue. Most importantly, and unlike the UK government debt, the Council's debt is associated with investment in property assets that are intended to be held for the future provision of services. The Council does not borrow for any revenue expenditure or pure investment purpose.

The Year in Summary

2009/10 was another year in which the Council managed to successfully cope with immediate expenditure pressures. The Council added to its reserves and strengthened its financial position going forward, which is just as well as it is likely to need those funds to help it through the coming years. The difficulties expected have been communicated to both employees and the wider communities in East Lothian through our broad based approach to budget consultation, and there are some signs that the organisation can successfully adapt to dealing with what lies ahead. The greater challenge lies in similarly leading our communities.

David Spilsbury Head of Finance 28 June 2010

Statement of Accounting Policies

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2009/10 financial year and its position at the year-end of 31 March 2010. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009 – A Statement of Recommended Practice (the SORP). The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services
- Supplies are recorded as expenditure when they are consumed where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the Balance Sheet
- Works are charged as expenditure as and when the expenditure is certified
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the appropriate service revenue account in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely

than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

4. Reserves

Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Net Cost of Services in the Income and Expenditure Account. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and they do not represent usable resources for the Council – these reserves are explained in the relevant policies below.

5. Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the Council satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Revenue Support Grant) are credited to the foot of the Income and Expenditure Account after Net Operating Expenditure.

6. Retirement Benefits

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by the Scottish Public Pensions Agency (SPPA)
- The Local Government Pensions Scheme, administered by the Lothian Pension Fund operated by the City of Edinburgh Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore

accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the education service revenue account is charged with the employer's contributions payable to teachers' pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Lothian Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projected earnings of current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the iBoxx Sterling Corporates Index, AA over 15 years.

The assets of the Lothian Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities bid price
- Unquoted securities professional estimate
- Unitised securities average of the bid and offer rates
- Property market value.

The change in the net pensions liability is analysed into seven components:

- Current service cost the increase in liabilities as a result of the years of service earned this year – allocated in the Income and Expenditure Account to the revenue accounts of services for which the employees worked
- Past service cost the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs
- Interest cost the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to Net Operating Expenditure in the Income and Expenditure Account
- Expected return on assets the annual investment return on the fund assets attributable to the Council, based on an average of the expected

long-term return – credited to Net Operating Expenditure in the Income and Expenditure Account

- Gains/losses on settlements and curtailments the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs
- Actuarial gains and losses changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Statement of Total Recognised Gains and Losses
- Contributions paid to the Lothian Pension Fund cash paid as employer's contributions to the pension fund.

Statutory provisions limit the Council to raising Council Tax to cover the amounts payable by the Council to the Pension Fund in the year. In the Statement of Movement on the General Fund Balance this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year-end.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Teachers' Pension Scheme.

7. VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

8. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

 Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

These two cost categories are defined in BVACOP and accounted for as separate headings in the Income and Expenditure Account, as part of Net Cost of Services.

9. Intangible Fixed Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) is capitalised when it will bring benefits to the Council for more than one financial year.

The balance is amortised to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits. IT software is depreciated using a straight-line allocation over 3 years.

10. Tangible Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Recognition: expenditure of over £6,000 on the acquisition, creation or enhancement of any tangible fixed asset is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of assets (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Measurement: assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following measurement bases:

- Investment properties and assets surplus to requirements lower of net current replacement cost or net realisable value
- Dwellings, other land and buildings, vehicles, plant and equipment lower of net current replacement cost or net realisable value in existing use
- Infrastructure assets and community assets depreciated historical cost.

Net current replacement cost is assessed as:

Non-specialised operational properties – existing use value

- Specialised operational properties depreciated replacement cost
- Investment properties and surplus assets market value.

Assets included in the Balance Sheet at current value are re-valued where there have been material changes in the value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: the values of each category of assets and of material individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- Where attributable to the clear consumption of economic benefits the loss is charged to the relevant service revenue account
- Otherwise written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the relevant service revenue account.

Where an impairment loss is charged to the Income and Expenditure Account but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

Disposals: when an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposals are credited to the Income and Expenditure Account as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts and are credited to the Capital Fund. They are used for new capital investment or to meet the cost of debt repayments. Receipts are appropriated to the Reserve from the Statement of Movement on the General Fund Balance.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Statement of Movement on the General Fund Balance.

Depreciation: depreciation is provided for on all assets with a determinable finite life (except for investment properties), by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use.

Deprecation is calculated on the following bases:

- Dwellings and other buildings straight-line allocation over the life of the property as estimated by the valuer
- Vehicles, plant and equipment straight-line allocation over the life of the asset as advised by a suitably qualified officer
- Infrastructure straight-line allocation over 25 years
- Community assets straight-line allocation over the life of the asset as advised by a suitably qualified officer.

Where an asset has major components with different estimated useful lives, these are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Grants and contributions: where grants and contributions are received that are identifiable to fixed assets with a finite useful life, the amounts are credited to the Government Grants Deferred Account. The balance is then written down to revenue to offset depreciation charges made for the related assets in the relevant service revenue account, broadly in line with the depreciation policy applied to them.

11. Charges to Revenue for Fixed Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual

provision from revenue to contribute towards the reduction in its overall borrowing requirement. Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the Statement of Movement on the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

12. Leases

Finance Leases

The Council accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to the Council. Rentals payable are apportioned between:

- A charge for the acquisition of the interest in the property (recognised as a liability in the Balance Sheet at the start of the lease, matched with a tangible fixed asset – the liability is written down as the rent becomes payable)
- A finance charge (debited to Net Operating Expenditure in the Income and Expenditure Account as the rent becomes payable).

Fixed assets recognised under finance leases are accounted for using the policies applied generally to Tangible Fixed Assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Operating Leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

13. Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Income and Expenditure Account is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to Net Operating Expenditure in the Income and Expenditure Account in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the

new or modified loan and the write-down to the Income and Expenditure Account is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Income and Expenditure Account, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. This can lead to a difference in the amounts charged to the Income and Expenditure Account compared to the net charge required against the General Fund Balance. This difference is managed by a transfer to the Financial Instruments Adjustment Account made through the Statement of Movement on the General Fund Balance.

14. Financial Assets

Financial assets are classified into two types:

- Loans and receivables assets that have fixed or determinable payments but are not quoted in an active market
- Available-for-sale financial assets shares that have no quoted market price and do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

If assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise on derecognition of the asset are credited/debited to the Income and Expenditure Account.

Unquoted Equity Investment at Cost

Unquoted equity investment assets are initially measured and carried at fair value. As the investment is unquoted, the annual revaluation is made based on the net book value of the company. There are no fixed or determinable payments, so any income (e.g. dividends) is credited to the Income and Expenditure Account when it becomes receivable by the Council.

If assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise on derecognition of the asset are credited or debited to the Income and Expenditure Account.

Instruments Entered Into Before 1 April 2006

The Council entered into one financial guarantee that is not accounted for as a financial instrument. This guarantee is disclosed as a separate contingent liability note.

15. Stocks and Work in Progress

Stocks are included in the Balance Sheet at a value based on latest purchase price. The difference between this practice and that recommended has no significant or material effect on the financial statements.

Work in progress is accounted for using monthly, certified work valuations that are charged to the capital asset when the payment is made to the supplier. Due to the timing of these valuations, this leaves no significant work in progress to be shown on the Balance Sheet. The difference between this practice and that recommended has no significant or material effect on the financial statements.

16. Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as investments at fair value, less any provision for losses.

17. Public Private Partnership (PPP) Contracts

PPP contracts are agreements to receive services, where the responsibility for making available the fixed assets needed to provide the services passes to the Private Finance Initiative (PFI) contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the fixed assets will pass to the Council at the end of the contract for no additional charge, the Council carries the fixed assets used under the contracts on the Balance Sheet.

The original recognition of these fixed assets was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets.

Fixed assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year debited to the relevant service in the Income and Expenditure Account
- Finance cost an interest charge on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the Income and Expenditure Account
- Contingent rent increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Income and Expenditure Account
- Payment towards liability applied to write down the Balance Sheet liability to the PFI operator
- Lifecycle replacement costs recognised as fixed assets on the Balance Sheet

Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Head of Finance, who is the designated Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgments and estimates that were reasonable and prudent
- Complied with the Code of Practice
- · Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

The Chief Finance Officer's Certification

I certify that the Statement of Accounts present a true and fair view of the financial position of the Council at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

David Spilsbury Head of Finance

Income and Expenditure Account

This account summarises the resources that have been generated and consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the projected value of retirement benefits earned by employees in the year.

Restated		ALTA MASS	建筑	STATE WAR
Previous		Gross	Gross	Net
Year Net		Expenditure	Income	Expenditure
Expenditure				
£000s		£000s	£000s	£000s
1,148 (Central services	17,675	(14,150)	3,525
17,262 (Cultural and related services	23,528	(4,540)	18,988
82,816 E	Education services	98,046	(11,686)	86,360
10,533 E	Environmental services	12,192	(1,124)	11,068
4,286 H	Housing services (non-HRA)	29,233	(24,662)	4,571
12,078	Joint Board requisitions	12,303	W W W	12,303
5,974 L	_ocal authority housing (HRA)	22,040	(19,065)	2,975
2,605 F	Planning & development services	4,230	(1,731)	2,499
9,378 F	Roads and transport services	18,650	(8,732)	9,918
53,521 \$	Social Work services	71,468	(16,132)	55,336
1,898 (Corporate and democratic core	1,605	(1)	1,604
-1	Non-distributed costs			
201,499	Net Cost of Services	310,970	(101,823)	209,147
	Gains on the disposal of fixed assets			(2,606)
- Table 1-0-10-10-10-10-10-10-10-10-10-10-10-10-	Interest payable and similar charges			11,853
(851) [Interest and investment income			(228)
540	Pensions interest cost and expected			2.012
542	return on pensions assets			2,913
207,300	Net Operating Expenditure			221,079
(44,867)	Council tax			(45,091)
	Community charge arrears			-
A CONTRACTOR OF THE PARTY OF TH	General government grants			(127,641)
(35,609)	Non-domestic rates redistribution			(39,748)
4,026	(Surplus)/Deficit for the Year		3,0	8,599

Statement of Movement on the General Fund Balance

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Council is required to raise Council Tax on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

Restated Previous Year		Current Year
£000s		£000s
4,026	Deficit for the year on the Income and Expenditure Account	8,599
(4,796)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year (note 1)	(9,502)
(770)	Increase in General Fund Balance for the Year	(903)
(8,850)	General Fund Balance brought forward	(9,620)
(9,620)	General Fund Balance carried forward	(10,523)

The General Fund Balance compares the Council's spending against the Council Tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of the Council for the year and shows the aggregate decrease in its net worth. In addition to the deficit generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

Restated Previous		Current Year
Year £000s		£000s
4,026	Deficit for the year on the Income and Expenditure Account	8,599
1,187	Net (surplus)/deficit arising on revaluation of fixed assets	3,201
364	Net (surplus)/deficit arising on revaluation of available-for-sale financial assets	721
40,798	Actuarial (gains)/losses on pension fund assets and liabilities	83,670
46,375	Total recognised (gains)/losses for the year Prior period adjustments	96,191
46,375	(Increase)/decrease in Balance Sheet value	96,191

Balance Sheet as at 31 March 2010

Restated 31 March 2009		AL ACTION	31 March 2010
£000s			£000s
	Fixed assets	and the street or	
995	Intangible fixed assets (note 16) Tangible fixed assets Operational assets: (note 9)		3
235,518	Council dwellings	235,533	
	Other land and buildings	415,563	
	Vehicles, plant, furniture and equipment	7,144	
	Infrastructure assets	46,498	
16,026	Community assets	16,862	
	Non-operational assets: (note 9)		
	Investment properties	16,300	
	Assets under construction	19,018	
	Surplus assets held for disposal	598	757,516
(A) 10 (A) 10 (A)	Total fixed assets		757,519
	Long-term investments (note 19)		1,135
	Long-term debtors (note 27)	- 2	2,390
739,768	Total long-term assets		761,044
70292	Current assets		
	Stocks and work in progress	426	
	Short-term loans (note 28)	20000	
	Debtors (note 29)	32,113	
	Bad and doubtful debt provision (note 29)	(17,447)	
-	Cash and bank	455	45.543
758 979	Total assets	-	15,547
750,575	Current liabilities		776,591
(6 504)	Borrowing repayable on demand or within 12 months (note 19)	12 7201	
	Creditors (note 30)	(22,072)	
	Bank overdraft	(22,0/2)	
			(25,802)
724,584	Total assets less current liabilities	-	750,789
1.23463863	Long-term liabilities		, 55,, 55
(172,622)	Borrowing repayable within a period in excess of 12 months (note 19)		(203, 222)
	Provisions (note 20)		(1,235)
(50,703)	Government grants and other contributions deferred (note 31)		(60,681)
(5,867)	Deferred liabilities (note 32)		(5,295)
	Finance lease liability (note 13)		(48, 186)
	Liability related to defined benefit pension scheme (note 26)	_	(142,773)
385,588	Total assets less liabilities	_	289,397
Var. at 2 miles	Financed by:		
	Revaluation Reserve (note 21)		(13,537)
	Available-for-sale Financial Instruments Reserve (note 21)		(135)
	Capital Adjustment Account (note 21)		(400,818)
	Financial Instruments Adjustment Account (note 21) Pensions Reserve (note 26)		5,383
	Capital Fund (note 21)		142,773 (2,941)
	Capital Receipts Reserve		(4,940)
	Insurance Fund (note 21)		(1,088)
Control of the Contro	Housing Revenue Account Balance (note 21)		(3,571)
	General Fund Balance (note 21)		(10,523)
THE RESERVE AND ADDRESS OF THE PARTY OF THE	Total net worth	-	(289,397)
		-	-

The unaudited accounts were issued on 29 June 2010 and the audited accounts were authorised for issue on 30 September 2010.

David Spilsbury Head of Finance

Cash Flow Statement

Restated		Current Year	
Previous Year			
£000s		£000s	£000s
	Revenue activities		
	Cash outflows		
129,564	Cash paid to and on behalf of employees	134,195	
89,105	Other operating cash payments	92,851	
9,497	Housing Benefit paid out	11,915	
12,166	Requisitions paid	12,386	251,347
	Cash inflows		
(9,212)	Rents (after rebates)	(9,159)	
(45,362)	Council Tax receipts	(44,932)	
(35,636)	Non-domestic rate receipts	(39,821)	
(122,775)	Revenue Support Grant	(127,641)	
(17,179)	DSS grants for benefits	(20,868)	
(7,161)	Other government grants	(4,956)	
(11,162)	Cash received for goods and services	(11,543)	
(9,893)	Other operating cash receipts	(9,407)	(268, 327)
(18,048)	Net cash inflow from revenue activities		(16,980)
	Dividends from joint ventures and associa	ates	
	Cash inflows		
(69)	Dividends received		(69)
	Returns on investments and servicing of t	finance	
200000000000000000000000000000000000000	Cash outflows	4.120	
7,982		8,166	
253	1 17 N 2 3 N 3 3 N 3 1 N 3 N 3 N 3 N 3 N 3 N 3 N	193	
Watersons	Cash inflows	V.200530	7922078742781
(808)	Interest received	(56)	8,303
	Capital activities		
	Cash outflows		
49,978		51,916	
	Cash inflows		
(6,488)		(4,781)	SECTION IN CONTRACTOR
(9,502)		(10,104)	37,031
23,298	Net cash outflow before financing		28,285
2257578207	Management of liquid resources	240074500	
(5,112)		(7,162)	
	Financing		
	Cash outflows		
23,268	Repayments of amounts borrowed	1,344	
(25)	Capital element of finance leases	35	
143		269	
4	Cash inflows	No. Sales	
(32,000)	New long-term loans raised	(31,000)	diamentare services
	New short-term loans	1,988	(34,526)
9,076	Net decrease/(increase) in cash		(6,241)

1. Note of reconciling items for the Statement of Movement on the General Fund Balance

Restated Previous Year		Current Year	
£000s		£00	0s
	Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year	Line	
2,229 2,145	Depreciation and impairment of fixed assets Housing Revenue Account Surplus/(Deficit) Government Grants Deferred amortisation Net gains on sale of fixed assets Differences between amounts debited/credited to the Income and Expenditure Account and amounts	(24,703) 1,609 2,595 2,606	
(410)	payable/receivable to be recognised under statutory provisions relating to finance leases, stepped loans and premiums and discounts on the early repayment of debt	(123)	
1,254	Statutory provision relating to PPP	1,293	
(7,749)	Net charges made for retirement benefits in accordance with FRS 17 (note 26)	(12,686)	
(22,771)			(29,409)
	Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year		
6,833	Loans fund principal repayments and statutory premia	7,717	
11,986	Employer's contributions payable to the Lothian Pension Fund	12,865	
18,819			20,582
	Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year		
(988)	Transfer to/(from) the Housing Revenue Account Balance	(659)	
	Transfer to/(from) the Insurance Fund	(16)	
(844)	 Law Local Control of the Control of th	-	(675)
(4,796)	Net additional amount required to be credited to the General Fund Balance for the year		(9,502)

2. Explanation of prior period adjustments

In the 2009/10 Statement of Accounts, the Council has shown the effect of changes to Accounting for PFI transactions and similar contracts. Property used in a PFI or similar contract shall be recognised as an asset of the local authority, a related liability shall be recognised at the same time. Making this change results in a restatement of the opening value for 2009/10.

Balance Sheet	Balance Sheet in 2008/09 Statement of Accounts	Restatement of PFI contract	2008/09 comparatives in the Balance Sheet
	£000s	£000s	£000s
Other land and buildings	355,543	52,356	407,899
Long-term debtors	40,854	(38,888)	1,966
Finance lease liability		(49,322)	(49,322)
Impact on Total Assets less Liabilities	396,397	(35,854)	360,543
Capital Adjustment Account	(466,944)	35,854	(431,090)
Impact on Total Net Worth	(466,944)	35,854	(431,090)

Net Expenditure in 2008/09 Statement of Accounts	Restatement of PFI contract	The second second second second
£000s	£000s	£000s
85,132	(2,316)	82,816
8,855	2,478	11,333
3,864	162	4,026
	Expenditure in 2008/09 Statement of Accounts £000s 85,132 8,855	Expenditure of PFI in 2008/09 contract Statement of Accounts £000s £000s

3. Trading Operations

The Council has 5 trading operations where the service manager is required to operate in a commercial environment and meet their unit's costs by generating income from other parts of the Council or other organisations. Each operation is obliged under statute to achieve break-even over a rolling three-year period. Following a review of trading operations in 2009 it was agreed to create 2 new trading operations. The Older People Care Homes and Domiciliary Care Services trading activities commenced in April 2009.

During 2009/10 Sportsplus trading activity ceased. The majority of the Sportsplus trading activity was transferred to Enjoy (East Lothian) Limited – an independent charitable organisation with effect from 1 October 2009. Although no longer a trading activity, the figures shown below reflect the 6 month position to 30 September 2010.

Facility Services

The Facility Services trading operation provides catering, janitorial and cleaning services at locations owned or managed by the Council. A catering service is provided at secondary and primary schools and at some other buildings. The cleaning operation provides a regular building cleaning service to all departments of the Council. The cumulative position over the three years is a surplus of £1.63 million.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	7,941	8,106	7,427
Surplus/(Deficit)	645	803	182
3-year Cumulative Surplus/(Deficit)	1,630		

Property Maintenance

Property Maintenance provides property maintenance services. The majority of work is undertaken on the Council's housing stock – including an increasing amount of work on housing improvements. This trading operation has now been operating for four years and has managed to increase its surplus during 2009/10. The cumulative position over the last three years is now a surplus of £1.406 million.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	9,722	9,415	8,687
Surplus/(Deficit)	543	645	218
3-year Cumulative Surplus/(Deficit)	1,406		

Roads Services

Roads Services carries out a repair and maintenance service to enable the Council to fulfil its statutory obligations. The extent of its work includes roads network repair and maintenance. This includes routine and cyclical maintenance as well as some capital work. A loss was made in 2007/08 as a result of difficulties with a large contract. However, over the three-year period the service still has a cumulative surplus of £1.225m and has met the statutory target.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	8,056	6,700	5,143
Surplus/(Deficit)	1,201	150	(126)
3-year Cumulative Surplus/(Deficit)	1,225		2011

Older People Care Home Services

Older People Care Home Services trading activities commenced in April 2009. Care Home provision is split between residential and nursing care and this activity provides 5 homes. During 2009/10 a deficit of £0.098m was made.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	5,096	THE TOXING	
Surplus/(Deficit)	(98)	-	₩.
3-year Cumulative Surplus/(Deficit)	(98)		

Domiciliary Care Services

This activity commenced in April 2009, and aims to support older people to live independently in their own homes as long as possible. During 2009/10 a deficit of £0.194m was made.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	3,479	1-4	-
Surplus/(Deficit)	(194)		-
3-year Cumulative Surplus/(Deficit)	(194)		

Discontinued Trading Operation - Sportplus

The figures below therefore reflect trading for the first 6 months of the year only. The Sportsplus result for the year is a deficit of £0.185m. However, this figure includes a one off charge of £0.259m relating to rates that became payable in 2009/10 as part of the transfer of sporting activities to Enjoy. If this amount was excluded then the results would have been a surplus of £0.074m.

	2009/10 £000s	2008/09 £000s	2007/08 £000s
Turnover	2,715	4,999	4,647
Surplus/(Deficit)	(185)	161	(53)
3-year Cumulative Surplus/(Deficit)	(77)		S 1/2

4. Agency income and expenditure

The Council provides an agency service to Scottish Water; associated income and expenditure is not included within the Council Income and Expenditure Account. In 2009/10, £14.5m (2008/09: £13.8m) was paid over to Scottish Water.

The Council shares services with other authorities (e.g. special education or social work facilities). The expenditure on these services is incurred so that the Council can perform its duties rather than the duties of another organisation.

5. Members' allowances

In 2009/10, £0.56m (2008/09: £0.57m) was paid as Councillors' salaries, including expenses, travel, subsistence and conference expenses.

6. Officers' remuneration

Remuneration includes salary, expenses, allowances and severance payments, but excludes pension contributions.

Band	2009/10 £000s	2008/09 £000s
£110,000 +	1 (1
£100,000 - £109,999	2	1
£90,000 - £99,999	1	3
£80,000 - £89,999	6	5
£70,000 - £79,999	7	6
£60,000 - £69,999	7	9
£50,000 - £59,999	56	36
Total	80	61

7. Related parties

The Council is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions helps you assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central government has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of transactions with government departments are set out in a note relating to the Cash Flow Statement.

Members of the Council have direct control over the Council's financial and operating policies. During 2009/10, no works and services were commissioned from companies in which members had an interest. In addition, the Council paid grants and contributions totalling £16.4m to voluntary and statutory organisations (including Joint Boards) in which 23 members had an interest. The grants were made with proper consideration of declarations of interest. The relevant members did not take part in any discussion or decision relating to the grants. Details of all these interests are recorded for each Councillor in their Register of Interests, open to public inspection at www.eastlothian.gov.uk - go to Home>East Lothian Council>Who is my Councillor.

Senior officers of the Council have significant control and influence over the Council's financial and operating policies. During 2009/10, no works or

services were commissioned from companies in which senior officers had an interest. The Council paid grants totalling £0.45m to voluntary organisations in which 12 senior officers had an interest. The grants were made with proper consideration of declarations of interest. The relevant officers did not take part in any discussion or decision relating to the grants.

Companies and joint ventures - the Council has substantial interests in companies and relevant transactions are disclosed in Note 18.

8. Audit costs

Audit Scotland has been appointed as the Council's auditor by the Accounts Commission and requisitioned a fee of £0.27m (2008/09: £0.27m) from the Council to recover their costs.

The Council has no discretion over the services provided. Audit services include those leading to the production of the auditors' report on these accounts and a variety of studies and reviews undertaken at the discretion of Audit Scotland and the Accounts Commission.

9. Capital expenditure and fixed asset disposals

Operational assets

Other land and buildings opening balances have been restated to include PFI assets.

Council	Other land and buildings	Vehicles, plant, etc	Infra- structure	Comm- unity assets	Total £000s
LUUUS	20005	10005	10005	20005	10005
306 773	457 427	18 130	71 683	16 774	870,787
2-3 AV. 1000 AV. C. C. C.	101,121	10,100	11,000	10,77	(71,255)
** ** ** ** ** ** ** ** ** ** ** ** **	13 808	2 077	6.701	1 258	35,949
11-00 PM		0.535.00	0,701	1,200	(2,502)
A COLUMN TO A COLU	The second second	3-7	(14)	12	1,954
2727	1,955		6.7		(2,779)
242,892	472,661	20,199	78,370	18,032	
(71,255)	(49,528)	(10,229)	(26,492)	(748)	(158,252)
71,255			-	N. C. A. C. C.	71,255
(7,359)	(7,570)	(2,826)	(5,380)	(422)	(23,557)
(7,359)	(57,098)	(13,055)	(31,872)	(1,170)	(110,554)
235,533	415,563	7,144	46,498	16,862	721,600
235,518	407,899	7,901	45,191	16,026	712,535
	£000s 306,773 (71,255) 12,105 (2,326) 374 (2,779) 242,892 (71,255) (7,359) (7,359) 235,533	dwellings £000s £000s 306,773	dwellings and buildings £000s £000s £000s 306,773 457,427 18,130 (71,255)	dwellings and buildings buildings £000s £000s £000s £000s 306,773 457,427 18,130 71,683 (71,255)	dwellings and buildings plant, etc structure unity assets £000s £000s £000s £000s 306,773 457,427 18,130 71,683 16,774 (71,255) - - - - 12,105 13,808 2,077 6,701 1,258 (2,326) (168) (8) - - 374 1,594 - (14) - (2,779) - - - - 242,892 472,661 20,199 78,370 18,032 (71,255) (49,528) (10,229) (26,492) (748) 71,255 - - - - (7,359) (7,570) (2,826) (5,380) (422) (7,359) (57,098) (13,055) (31,872) (1,170) 235,533 415,563 7,144 46,498 16,862

Non-operational assets

	Investment Properties	Assets Under construction	Surplus assets held for disposal	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 April 2009	16,239	5,382	964	22,585
Additions	351	15,467	35	15,853
Disposals	50.00	Carrier .		02/12/25
Reclassifications	(116)	(1,838)		(1,954)
Revaluations	142	7	(401)	(252)
At 31 March 2010	16,616	19,018	598	36,232
Depreciation and impairments				
At 1 April 2009	(169)		100	(169)
Charge for 2009/10	(147)			(147)
At 31 March 2010	(316)		- 1	(316)
Balance Sheet Amount at 31 March 2010	16,300	19,018	598	35,916
Balance Sheet Amount at 1 April 2009	16,070	5,382	964	22,416
at 1 April 2000	4			

Capital expenditure and financing

	2009/10 £000s	2008/09 £000s
Gross Capital Expenditure	100000000000000000000000000000000000000	W31.0000000
Intangible assets	7	590
Operational assets	35,947	47,150
Non-operational assets	15,853	1,889
	51,807	49,629
Gross Capital Income		
Capital receipts	-	(6,469)
Government grants and other contributions	(12,573)	(9,515)
	(12,573)	(15,984)
Debt finance	(39,234)	(33,645)
Gross Capital Financing	(51,807)	(49,629)
N 100 P. N 1		

10. Commitments under capital contracts

As at 31 March 2010, the Council had the following major contracts in place and was committed to expenditure as detailed below:

	£000s
New Upper Primary School Dunbar	9,128
John Gray Cultural Centre	5,063
Housing Development at Brunt Court, Dunbar	4,936
Sports Pavilions	1,427
Housing Development at 5-9 Links Avenue, Musselburgh	1,125
Windygoul Primary School Extension	1,100
Housing Development at Balfour Square, Tranent	969
Housing Development at Middleshot Square, Prestonpans	717
Housing Development at Brierbush Road, Macmerry	572
Town Centre CCTV Surveilance Systems	439
Polwarth Park Pavilion	350
Kinnegar Waste Transfer Plant, Wallyford (phase 2)	281
Alterations and Extensions at Prestonpans Infant School	248
Sanderson's Wynd Primary School Extension	150
	26,505

11. Information on assets held

The fixed assets owned by the Council and valued above include the following:

Council dwellings	8,016	Infrastructure assets	
Operational buildings		Roads	26
Council offices	24	Other	21
Libraries and museums	13		
Halls	15	Community assets	
Community and sports centres	32	Parks	97
Social work facilities	33	Play areas	82
Public toilets	31	Cemeteries	33
Waste facilities	2	Harbours and historic buildings	24
Depots and stores	23	Walkways	27
Secondary schools (land)	6	Civic valuables (items)	23
Secondary schools (buildings)	6	(8 - 17)	
Pre-5 schools	6 5	Other	37
Primary schools	35		
Other	7	Non-operational assets	
		Commercial offices & shops	51
Vehicles and plant		Leased stores and workshops	69
Vehicles and plant	98	Other	70

12. Assets held under lease

Operating leases

Council as Lessee

Vehicles and plant - the Council uses vehicles and plant financed under the terms of an operating lease. The amount paid under these arrangements in 2009/10 was £1.47m (2008/09: £1.81m). The SORP requires charges to be made evenly throughout the period of the lease.

The Council was committed at 31 March 2010 to make ongoing payments of £1.282m under operating leases, comprising the following elements:

	Vehicles, Plant and Equipment £000s
Leases expiring in 2010/11	THE STATE OF
Leases expiring between 2011/12 and 2015/16	1,224
Leases expiring after 2015/16	40

Finance leases

Council as Lessee

Land and Buildings – the Council has 3 leases lasting between 21 and 40 years on land and administrative buildings, which have been accounted for as finance leases. The rentals payable in 2009/10 were £228,000 (2008/09: £228,000) – accounted for as £193,000 finance costs and £35,000 write-down of obligations. These assets have been leased from the Common Good.

The following values of assets are held under finance leases by the Council, accounted for as part of Tangible Fixed Assets:

	Other Land and Buildings
THE RESIDENCE OF STREET	£000s
Value at 1 April 2009	3,377
Additions	299
Revaluations	12
Depreciation	(94)
Disposals	
Value at 31 March 2010	3,582

Outstanding obligations to make payments under these finance leases (excluding finance costs) at 31 March 2010, accounted for as part of long-term liabilities, are as follows:

Other Land and Buildings £000s
35
177
812
1,024

13. Assets recognised under a Public Private Partnership (PPP) arrangement

During 2002/03 the Council entered into a long-term partnership with Innovate East Lothian Ltd for the provision of enhanced secondary school facilities and a new community centre and swimming pool. The amount paid under these arrangements in 2009/10 was £1.136m (2008/09: £1.074m).

The Council was committed at 31 March 2010 to make ongoing payments of £48.2m, comprising the following elements:

	£000s
Obligations payable in 2010/11	1,219
Obligations payable between 2011/12 and 2015/16	5,586
Obligations payable after 2015/16	41,381
Total liabilities at 31 March 2010	48,186

The following values of assets held under the PPP contract are accounted for as part of the Tangible Fixed Assets:

	Other Land and Buildings	
	£000s	
Value at 1 April 2009	52,356	
Additions		
Revaluations	12 DT 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Depreciation	(1,415)	
Disposals		
Value at 31 March 2010	50,941	

14. Valuation information

The Council has a rolling programme for the revaluation of fixed assets every 5 years. The District Valuer undertakes the majority of valuations that are carried out externally, with some valuations being made by internal Council Estates staff. All valuers are RICS qualified.

Fixed Asset Category	Basis of Valuation	Valuation Date	Valued by
Council Dwellings	Existing Use Value - Social Housing	01-Apr-09	District Valuer (RICS)
Non-operational Property	Open Market Value	01-Apr-05	East Lothian Council (RICS)
Operational Property	Existing Use	01-Apr-06	District Valuer (RICS)
Specialised Operational Property	Depreciated Replacement Cost	01-Apr-06	District Valuer (RICS)
Community Assets	Historic Cost or nominal value	01-Apr-07	East Lothian Council (RICS)
Vehicles/Plant	Historic Cost or nominal value	Date Acquired	N/A
Equipment	Historic Cost or nominal value	Date Acquired	N/A
Infrastructure Assets	Historic Cost or nominal value	Date Acquired	N/A
Intangible Assets	Historic Cost or nominal value	Date Acquired	N/A

Council Dwellings were revalued on 1 April 2009. The Council is not aware of any other material change in the asset values since the last revaluation and hence the valuations have not been updated.

15. Depreciation methodologies

Fixed assets are depreciated over their estimated useful lives. The straightline method has been used over the following periods:

Council Dwellings	10-50 years
Community Assets	10-40 years
Infrastructure	25 years
Operational Property	5-60 years
Vehicles & Equipment	5-15 years

Depreciation is not charged on Non-operational property.

16. Intangible Fixed Assets

Software systems and software licences were acquired to support the provision of services. The cost is being written off over the estimated useful life of those systems and licences.

	Software £000s	Total £000s
Cost or valuation	7	
At 1 April 2009	2,181	2,181
Additions	7	7
Disposals		-
Reclassifications		-
Revaluations	- 140	-
At 31 March 2010	2,188	2,188
Depreciation and impairments		
At 1 April 2009	(1,186)	(1,186)
Charge for 2009/10	(999)	(999)
At 31 March 2010	(2,185)	(2,185)
Balance Sheet Amount at 31 March 2010	3	3
Balance Sheet Amount at 1 April 2009	995	995

17. Analysis of net assets employed

	31 March 2010	Restated 31 March 2009	
	£000s	£000s	
General Services	52,980	150,072	
Housing Revenue Account	236,417	235,516	
Total	289,397	385,588	

18. Interests in companies

East Lothian Council holds 200,000 £1 Ordinary shares in Lothian Buses plc. This represents 3.13% of the total share capital. At 31 December 2009 the net assets of the group amounted to £11.9m (31 December 2008: £43.6m) after a year in which a profit on ordinary activities before taxation of £8.49m (31 December 2008: £0.98m) was returned. During the year the Council received final dividends totalling 34.34p per share (2007/08: 34.35p per share).

The Council is sole shareholder, at a cost of £800,000, in East Lothian Land Limited, set up in 2000 for the purpose of managing land to support economic development in East Lothian. The accounts for the period of trading to 31 March 2010 show net assets of £0.638m (31 March 2009: £0.395m), and a profit before taxation of £0.243m (31 March 2009: loss of £0.008m). No dividend was received.

These accounts also include the Council's interest, estimated as 40%, in East Lothian Investments Limited, a company limited by guarantee, set up in 1998 to hold investments inherited from the former Lothian Investments Board and intended to support the development of businesses in East Lothian. The net assets of the company at 31 March 2010 amounted to £0.316m (31 March 2009: £0.246m). The results for the period to 31 March 2010 showed a profit before taxation of £0.070m (31 March 2009: loss of £0.002m). No dividend was received.

East Lothian Land Limited is included in the Group Accounts.

Copies of the accounts of these companies may be obtained from the Head of Finance, East Lothian Council.

19. Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	Long-Term		Current	
	31 March 2010 £000s	Restated 31 March 2009 £000s	31 March 2010 £000s	31 March 2009 £000s
Borrowing				
Financial liabilities at amortised cost	(203,222)	(172,622)	(3,730)	(6,504)
Investments				
Loans and receivables	2,390	1,966		7,162
Unquoted equity investment at fair value	1,135	1,856		-
Total investments	3,525	3,822	*	7,162

The gains and losses recognised in the Income and Expenditure Account and STRGL in relation to financial instruments are made up as follows:

	2009/10 £000s	2008/09 £000s
Interest expense	11,853	11,333
Interest income	(159)	(782)
Dividends	(69)	(69)
Net (gain)/loss for the year	11,625	10,482

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

 Estimated interest rates at 31 March 2010 of between 1% and 4.7% for loans from the PWLB and between 0.5% and 4.4% for other loans

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 Marc	h 2010	31 March 2009		
	Carrying Amount £000s	Fair Value £000s	Carrying Amount £000s	Fair Value £000s	
Financial liabilities at amortised cost	(206,952)	(213,294)	(179,126)	(188,494)	
Loans and receivables	2,390	2,390	9,128	9,128	

The fair value of financial liabilities is more than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. These are long-term loans entered into at a time when interest rates were much higher than current rates. The cost of early termination of the loans is prohibitive.

The fair value of financial assets is the same as the carrying amount either because the assets mature within 1 year or they are non-market assets associated with the specific circumstances of the Council.

Interest due on 31 March 2010 is added to the outstanding asset or liability. Loans with stepped interest rates are valued on a basis of average interest applied over the whole loan period.

The Council's activities expose it to a variety of financial risks:

- Credit risk the possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk the possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual Capital Investment and Treasury Management Strategy.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The Council uses the creditworthiness service provided by Sector Treasury Services. This combines credit ratings, credit watches, credit outlooks and Credit Default Swap spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties over a specific time period. The Council's policy is to use counterparties on the following basis:

Purple 2 years

Blue 1 year (only applies to nationalised or semi nationalised UK Banks)

Orange 1 year
Red 6 months
Green 3 months

· No Colour not to be used

Sole reliance is not placed on the use of this external service. In addition the Council also uses market data and market information, information on government support for banks and the credit ratings of that government support.

For trade and tax debts, an estimate of the debt that may prove uncollectible is made based on historical experience. This provision is deducted from the value of the debts and is disclosed in the Balance Sheet.

Liquidity risk

As the Council has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Although all market loans may be terminated by the lender, we have received no indication that these will end before their full term.

There is a risk that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The strategy is to ensure that the maturity profile of the borrowings is as evenly spread as possible and (where it is economic to do so) make early repayments to remove spikes in maturity.

The type and maturity profile of borrowings is as follows:

	31 March 2010	31 March 2009
	£000s	£000s
Loan Type		Master Land
Public Works Loan Board	(163,718)	(133,220)
Finance leases	(1,024)	(1,059)
Intra-group loans	(1,864)	(4,721)
Market loans	(40,346)	(40,126)
	(206,952)	(179,126)
Loan Maturity	Al an article and a second and a	
Repayable after more than 10 years	(137,042)	(137,303)
Repayable between 5 and 10 years	(30,513)	(5,065)
Repayable between 2 and 5 years	(25,241)	(29,695)
Repayable between 1 and 2 years	(10,426)	(559)
Long-term borrowing	(203,222)	(172,622)
Repayable within 1 year	(3,730)	(6,504)
encontrol (Control (C	(206,952)	(179,126)

Market Risk

The main risks in the market are connected to interest rates, pricing and foreign exchange.

Interest rate risk

The Council is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates the interest expense charged to the Income and Expenditure Account will rise
- Borrowings at fixed rates the fair value of the liabilities will fall
- Investments at variable rates the interest income credited to the Income and Expenditure Account will rise
- Investments at fixed rates the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Income and Expenditure Account or STRGL. However, changes in interest payable and receivable on variable rate borrowings and investments would be posted to the Income and Expenditure Account and affect the General Fund Balance £ for £. Movements in the fair value of fixed rate investments would be reflected in the STRGL.

The Council has a number of strategies for managing interest rate risk. Our policy is to minimise our use of variable rate loans, within a maximum of 25%

of total borrowings. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Council's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and informs whether new borrowing taken out is fixed or variable.

Price risk

The Council does not generally invest in equity shares but to support its policy objectives it does have shareholdings to the value of £1m in Lothian Buses and East Lothian Land. Theoretically the Council consequently has some exposure to losses arising from movements in the prices of the shares, although the shares are held for policy purposes not trading, which limits the probability that such losses would be realised.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead it only acquires shareholdings in return for 'open book' arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

On behalf of the Charitable Trusts and Common Good Funds, the Council does invest in equities and bonds via a professional investment management company. The investment managers seek to secure and grow the capital value of the funds whilst generating a return on those assets that the Trusts and Common Goods can use. The choice of investments is at the discretion of the investment managers guided by the underlying objective of securing the current and longer-term capital value of the funds.

Foreign exchange risk

With the exception of some investments held as part of Charitable Trusts and Common Good Funds, the Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

The investment managers for the Charitable Trusts and Common Good Funds are able to invest in equities and bonds denominated in foreign currency and this does introduce an element of foreign exchange risk. However, this is part of the overall risk management strategy, as exposure to UK investments only would increase the exposure to risks arising from changes within the UK economy. All investment decisions are guided by the underlying objective of securing the current and longer-term capital value of the funds. The most significant investments held that are denominated in foreign currency are listed in note 5 to the Supplementary Financial Statements.

20. Provisions

Included within gross expenditure is the following provision against known future costs.

	Housing Associations - development funds £000s	Total £000s	Previous Year £000s
Balance at 1 April 2009	1,200	1,200	2,042
Expended during the Year	(396)	(396)	(1,274)
Additions to the Provision	431	431	432
Balance at 31 March 2010	1,235	1,235	1,200

Prior to October 2008, any funds raised by reducing the second home or empty property Council Tax discount had been allocated to Registered Social Landlords (RSLs) for the development of affordable housing. Under Scottish Government direction, Local Authorities can now use this income themselves, disburse these funds to other organisations and individuals, as well as RSLs. Funds not yet allocated are held in this provision.

21. Reserves

The Council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

Notes to Core Financial Statements

Reserve	Balance 1 April 2009 £000s	Net Movement in Year £000s	Balance 31 March 2010 £000s	Purpose of Reserve	Further Detail of Movements
Revaluation Reserve	(2,119)	(11,418)	The second second second	Store of gains on revaluation of fixed assets	See next table
Available-for-sale Financial Instruments Reserve	(856)	721	(135)	Store of gains on revaluation of long- term investments	
Capital Adjustment Account	(431,090)	30,272	(400,818)	Store of capital resources set aside to meet past expenditure	See next table
Financial Instruments Adjustment Account	5,481	(98)	5,383	Store of losses on revaluation of financial instruments	See next table
Pensions Reserve	59,282	83,491	142,773	Balancing account to allow inclusion of Pensions Liability in the Balance Sheet	Note 26 to the Core Financial Statements
Capital Fund	(2,941)		(2,941)	Resources available to fund capital expenditure or debt repayment	See next table
Capital Receipts Reserve	12	(4,940)	(4,940)	Resources available to fund capital expenditure or debt repayment	See next table
Insurance Fund	(1,104)	16	(1,088)	Resources available to meet future liabilities	See next table
Housing Revenue Account Balance	(2,621)	(950)	(3,571)	Resources available to meet future running costs for council houses	HRA Statements
General Fund Balance	(9,620)	(903)	(10,523)	Resources available to meet future running costs for non- housing services	Statement of Movement on the General Fund Balance
Total	(385,588)	96,191	(289,397		

	Revaluation Reserve	Available-for- sale Financial Instruments Reserve	Capital Adjustment Account	Financial Instruments Adjustment Account	Capital Fund	Capital Receipts Reserve	Insurance Fund
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2009	(2,119)	(856)	(431,090)	5,481	(2,941)		(1,104)
Movement in 2009/10							
Revaluation of assets	(11,913)	721	14,581	€ <u>2</u>	-	-	8 8
Disposal of assets	(A. 1011-100)	7		5	3.5	-	g Pa
Impairment of assets	12	-	1,806	32	- 4		
Deferred grant release	2.0		(2,595)				8 8
Depreciation	495		22,402	12	- 5		
Finance capital expenditure	12.00		2,866	29			S PS
Finance lease and PPP		12	(1,328)	- 4	-	1.4	
Revaluation of borrowing			State of the	158		10.5	6 85
Provision for loan repayment		- 2	(7,460)	(256)	-		
Surplus for year	22 - 24			22.04		(4,940)	16
Balance at 31 March 2010	(13,537)	(135)	(400,818)	5,383	(2,941)	(4,940)	(1,088)

Earmarked General Fund Reserves

At 31 March 2010, the following General Fund balances were earmarked for a particular purpose:

	Drug Alcohol Action Team	Departmental Reserves	Total	
	£000s	£000s	£000s	
Balance 1 April 2009	241	686	927	
Movement in 2009/10 Used during year Surplus during year	(154)	2,145	(154) 2,145	
Balance 31 March 2010	87	2,831	2,918	

22. Contingent liabilities and contingent assets

The Council is a scheme creditor of Municipal Mutual Insurance Ltd. This insurance organisation ceased operation in 1992 but has outstanding claims liabilities that are being managed by a residual board until they are extinguished. The maximum potential liability for the Council is £0.66m. The board have notified the Council that it does not expect to require this funding as it expects to either clear existing claims within its own funds or sell outstanding business to another company. However, there is a possibility that the Council may have to finance a payment from revenue at some point in the future.

The Council has been subjected to compensation claims under equal pay legislation. At 31 March 2010 most of these have been settled but a small number remain within the Employment Tribunal process. The value of these claims have yet to be finalised but are expected to be insignificant.

23. Authorisation of accounts for issue

As the proper officer, the Head of Finance has the authority to issue the Statement of Accounts. The proper officer also has the authority to amend the statements after issue as necessary. The unaudited accounts were issued on 29 June 2010 and the audited accounts were authorised for issue on 30 September 2010.

24. Trust Funds

The Council is either the sole trustee or represents the majority of the trustees for a range of trusts that have arisen due to bequests to the Council. These funds do not represent assets of the Council. These are managed collectively as East Lothian Charitable Funds and further details are provided in the Supplementary Financial Statements.

	2009/10	2009/10	31 March 2010	31 March 2010
	Income £000s	Expenditure £000s	Assets £000s	Liabilities £000s
Richardson Bequest	(89)	43	1,630	U
To provide housing for deserving residents of Haddington				
John Hume Fund	(26)	20	414	(118)
To provide for the upkeep of property, and support building apprentices	20. 32			
Browns Bequest	(12)	6	216	
To provide dental treatment for the poor of Musselburgh James McKelvie Trust				
To provide assistance to homeless people passing through Musselburgh	(10)	5	177	
Dunbar Memorial Fund	(10)	14	164	15
To provide care and assistance to elderly residents of Haddington				
New Hall Fund To provide for a new hall in Dunbar	(7)	3	121	

25. Reserves and balances held by schools under delegated schemes

Under the Council's Devolved School Management (DSM) scheme, all funding unused by schools as at 31 March is available to schools to spend the following financial year. These funds are carried forward as part of the Council's General Services balances.

At 31 March 2010, unused school funds amounted to £0.168m (2008/09: £0.391m). Of this sum 25 (2008/09: 33) schools have a carry-forward surplus of £0.341m (2008/09: £0.481m) while 18 (2008/09:10) schools have a carry-forward deficit of £0.173m (2008/09: £0.091m).

26. Retirement benefits

Participation in pensions schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make funding payments that need to be disclosed at the same time that employees are earning their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by the City of Edinburgh Council as the Lothian Pension Fund. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the Net Cost of Services when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax

is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement in the General Fund Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	2009/10 £000s	2008/09 £000s
Income and Expenditure Account		
Net Cost of Services:		
Current service cost	6,451	7,207
Past service costs	1,660	Editor Se
Settlements & Curtailments	20	-
Net Operating Expenditure:		
Interest cost	18,314	19,088
Expected return on assets in the scheme	(13,759)	(18,546)
Net Charge to the Income and Expenditure Account	12,686	7,749
Statement of Movement in the General Fund Balance		
Reversal of net charges made for retirement benefits in accordance with FRS 17	(12,686)	(7,749)
Actual amount charged against the General Fund Balance	12,865	11,986
for pensions in the year	12,000	11,000
Actual return on plan assets	72,096	(44,253)
		(,===)

Amount Recognised in Statement of Total Recognised Gains and Losses (STRGL):

	31 March 2010 £000s	31 March 2009 £000s
Actuarial (Gains) / losses	83,669	40,798
Actuarial (Gains) / losses recognised in STRGL	83,669	40,798
Cumulative Actuarial (Gains) and losses	110,634	26,965

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	31 March 2010 £000s	31 March 2009 £000s
Opening Defined Benefit Obligation	(265,191)	(277,654)
Current Service Cost	(6,451)	(7,207)
Interest Costs	(18,314)	(19,088)
Contributions by Scheme participants	(3,678)	(3,336)
Actuarial gains / (losses)	(142,006)	29,871
Benefits paid	11,348	12,223
Past service costs	(1,680)	-
Closing Defined Benefit Obligation	(425,972)	(265,191)

Reconciliation of fair value of the scheme assets:

	31 March 2010 £000s	31 March 2009 £000s
Opening Fair Value of Employer Assets	205,909	254,932
Expected rate of return	13,759	18,546
Actuarial gains / (losses)	58,337	(70,668)
Employer contributions	12,865	11,986
Contributions by Scheme participants	3,677	3,336
Benefits paid	(11,348)	(12,223)
Closing Defined Benefit Obligation	283,199	205,909

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on the gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect the long-term real rate of return experienced in the respective markets.

Scheme History

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	0.000
Present value of liabilities	(313,936)	(309,850)	(277,654)	(265, 191)	(425,972)
Fair value of employer assets	232,354	255,985	254,932	205,909	283,199
Surplus / (deficit)	(81,582)	(53,865)	(22,722)	(59,282)	(142,773)

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £142.8m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy as the deficit will result in increased contributions in future years, as assessed by the scheme actuary.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The main financial assumptions in the actuaries' calculations were:

	2009/10	2008/09
Rate of inflation	3.8%	3.1%
Rate of increase in salaries	5.3%	4.6%
Rate of increase in pensions	3.8%	3.1%
Rate for discounting scheme liabilities	5.5%	6.9%
Take-up of option to convert annual pension into retirement grant (Pre-April 2009 Service)	50.0%	50.0%
Take-up of option to convert annual pension into retirement grant (Post-April 2009 Service)	75.0%	N/A

The Fund's assets consist of the following categories, by proportion of the total assets held by the Fund:

	31 March 2010 %	31 March 2009 %
Equities	79.0	79.0
Bonds	8.0	11.0
Property	9.0	10.0
Cash	4.0	0.0
	100.0	100.0

The breakdown of the expected return on assets by category were:

	31 March 2010 %	31 March 2009 %
Equities	7.8	7.0
Bonds	5.0	5.4
Property	5.8	4.9
Cash	4.8	4.0

Life expectancy is based on the PFA92 and PMA92 'year of birth' tables. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

WINDOWS TO THE REAL PROPERTY.	Males	Females
Current Pensioners	20.8 years	24.1 years
Future Pensioners	22.3 years	25.7 years

History of experience gains and losses

The actuarial loss identified as movements on the Pensions Reserve in 2009/10 can be analysed into the following categories as at 31 March 2010:

	Restated 2005/06	Restated 2006/07	Restated 2007/08	2008/09	2009/10
Fair value of employer assets	£000s 232,354	£000s 255,985	£000s 254,932	£000s 205,909	£000s 283,199
Present value of defined benefit obligation	(313,936)	(309,850)	(277,654)	(265,191)	(425,972)
Surplus / (deficit)	(81,582)	(53,865)	(22,722)	(59,282)	(142,773)
Experience gains / (losses) on assets	36,894	1,522	(25,853)	(70,668)	58,337
Experience gains / (losses) on liabilities	(1,559)	2,404	(17)	6,225	(1,343)

Projected Pension Expenses for the year to 31 March 2011

	31 March 2011 £000s
Projected current service cost	12,869
Interest on obligation	23,524
Expected return on plan assets	(20,810)
Past service cost	-
Losses / (gains) on curtailments and settlements	2
Total	15,583
Employer's Contributions	11,722

Defined contribution scheme

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Scottish Public Pensions Agency (SPPA). It provides teachers with defined benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2009/10, the Council paid £5.36m (2008/09: £4.70m) to Teachers' Pensions in respect of teachers' retirement benefits, representing 14.9% (2008/09: 13.5%) of pensionable pay. There were no contributions remaining payable at the year-end.

The scheme is a defined benefit scheme. Although the scheme is unfunded, Teachers' Pensions use a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. However, it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this

Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. In 2009/10, the Council paid £0.40m (2008/09: £0.40m) to Teachers' Pensions in respect of these retirement benefits.

Ex-Gratia Scheme

Under Regulation 45 of The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, the Council awarded an Ex-Gratia discretionary allowance to retiring employees in respect of service for which they were ineligible to join the pension fund prior to 1986. In 2009/10, the Council paid £0.07m (2008/09: £0.06m) to individuals. The estimated value of future liabilities based on actuarial mortality estimates is £0.53m.

27. Long-term debtors

In addition to short-term debt, the Council is owed money by a smaller number of people and organisations that will be repaid over a period greater than 1 year.

	31 March 2010 £000s	31 March 2009 £000s	Purpose
PPP - Prepaid lifecycle replacement costs	597	442	Prepaid lifecycle replacement costs
Private property owners - common repairs	610	549	Repairs to private property funded by secured ELC loans
Employees - car loans	323	542	Loans to employees repaid over 3-5 years
North Berwick Trust	407	407	Loan secured on land
East Lothian Investments	235	5.4	Loan to be repaid over 3 years
East Lothian Housing Association	198	-	Loan secured on land and houses
Other	20	26	
Total	2,390	1,966	

28. Short-term loans

At 31 March in any year the Council will be owed funds that it has either loaned out or provided as an overdraft to a subsidiary organisation.

	31 March 2010 £000s	31 March 2009 £000s	Purpose
Short-term deposits with financial institutions	(Tak	5,076	Temporary investment of surplus funds
Musselburgh Joint Racing Committee	143		Bank overdraft
Total		7,162	

29. Debtors - amounts receivable within 1 year

Thousands of people and organisations owe the Council money that is due for payment within a year. In summary, the money owed to the Council on 31 March was:

	31 March 2010 £000s	31 March 2009 £000s
Taxpayers - Council Tax	7,916	8,943
Customers - Goods & Services	8,160	8,559
Taxpayers - Community Charge	7,768	8,061
UK Government - VAT & Grants	2,921	2,741
Scottish Government - Revenue Grants	718	458
Funders - Capital Projects	2,039	177
Tenants - Council House Rents	1,344	1,247
Other debtors	1,247	315
Total	32,113	30,501

Based on past experience and our assessment of collection risks, we have made the following provision against non-payment of these debts:

	31 March 2010 £000s	31 March 2009 £000s
Taxpayers - Council Tax	(6,651)	(7,901)
Customers - Goods & Services	(1,959)	(1,971)
Taxpayers - Community Charge	(7,768)	(8,061)
Tenants - Council House Rents	(1,069)	(945)
Total	(17,447)	(18,878)

30. Creditors - amounts payable within 1 year

At any financial year-end we owe money to thousands of people and organisations due for payment within a year. In summary, the money the Council owed on 31 March was:

	31 March 2010 £000s	31 March 2009 £000s
Suppliers and grant recipients	(12,508)	(12,622)
Income received in advance	(4,382)	(3,742)
UK Government - tax and national insurance deductions	(2,377)	(2,761)
Pension Funds - employee and employer contributions	(1,825)	(1,902)
Employees - work in March paid in April	(980)	(1,078)
Total	(22,072)	(22,105)

31. Government grants and other contributions deferred

These are used to finance capital projects and released to income in parallel to the depreciation charge made for the asset. Until the release occurs the value is held in the Balance Sheet.

	£000s
Balance at 1 April 2009	(50,703)
New grants received	(12,573)
Released to income	2,595
Balance at 31 March 2010	(60,681)

32. Deferred liabilities

At 31 March the Council held some funds that are linked to agreements that will be implemented in the future.

	31 March 2010 £000s	31 March 2009 £000s	
Developers' contributions to future capital investment projects	(4,186)	(4,798)	Funding retained until project is completed
Rental income received in advance	(778)	(738)	Income to be released over the lease period
PPP income received in advance	(331)	(331)	Income to be released over the contract period
Total	(5,295)	(5,867)	

33. Notes relating to the Cash Flow Statement

Reconciliation of net surplus/deficit on the Income and Expenditure Account to the revenue activities net cash flow in the Statement

	2009/10	Restated 2008/09
	£000s	£000s
General services deficit for year	8,599	4,026
Interest paid (net)	(7,005)	(6,134)
Finance lease payments	(228)	(228)
Depreciation and impairment of fixed assets	(24,703)	(25,826)
Deferred asset written down	-	2.5
Government grants deferred amortisation	2,595	2,145
Net gains on sale of fixed assets	2,606	5,223
Net charges made for retirement benefits in accordance with FRS 17	(12,686)	(7,749)
Employer's contributions payable to the Lothian Pension Fund	12,865	11,986
Financial instrument valuation adjustments	98	204
(Increase)/decrease in revenue long-term debtors & liabilities	(69)	697
Increase in stock	1	2
Decrease in other current assets	990	(1,819)
Decrease in revenue creditors	(43)	(575)
NET CASH (INFLOW) FROM REVENUE ACTIVITIES	(16,980)	(18,048)

Reconciliation of movement in cash to movement in net debt

	2009	10	2008	/09
A STATE OF THE PARTY OF THE PAR	£000s	£000s	£000s	£000s
Decrease in short-term loans		(7,162)		(5,112)
(Increase)/decrease in short-term borrowing		2,774		345
(Increase)/decrease in long-term borrowing		(30,600)		(9,985)
(Increase)/decrease in net debt	-	(34,988)	enter of	(14,752)
Increase in long-term assets	25,194		24,836	
Decrease in current assets	3,043		(4,316)	
Increase in current liabilities	33		947	
(Increase)/decrease in long-term liabilities	(92,932)		(41,915)	
Unrealised (gains)/losses	93,409	28,747	44,276	23,828
Movement in cash	_	(6,241)		9,076

Reconciliation of items under the Financing and Management of Liquid Resources sections to the opening and closing Balance Sheets

	2009/10 £000s	2008/09 £000s
Long-term loans decrease/(increase)	(30,600)	(9,985)
Short-term loans increase	(4,353)	(4,827)
Fixed assets acquired under finance lease	1,024	1,059
Market loan revaluation	(866)	(612)
Long-term debtors increase	269	143
Financing inflow per statement	(34,526)	(14,222)

Liquid resources

Liquid resources are those assets the Council hold that can be readily converted into cash at short notice at face value. The only assets the Council has of this type are short-term loans.

Analysis of government grants

	2009/10 £000s	2008/09 £000s
Specific Grant - Sheltered Employment	(24)	(70)
Specific Grant - Education National Priorities Action Fund	-	(407)
Other Education Grants		(1,053)
Other Grants	(4,932)	(5,631)
276 - 776 - 677 - 647 - 6	(4,956)	(7,161)

34. Events after the Balance Sheet Date

The Chancellor of the Exchequer announced in his Emergency Budget on 22 June 2010 that the consumer prices index rather than retail prices index will be the basis for future public sector pension increases. In accordance with paragraph 21 of Financial Reporting Standard 21 (Events after the balance sheet date), this change is deemed to be a non-adjusting post balance sheet event. It is estimated that this change will reduce the value of an average employer's FRS17 liabilities in the Fund by around 6-8%.

Housing Revenue Account

Income and Expenditure Account

2008/09 £000s		2009 £000s	9/10 £000s
20000	Income	20003	20003
(16.946)	Dwelling rents	(17,817)	
The state of the s	Non-dwelling rents	(331)	
70	Service charges	(408)	
A SECTION AND A SECTION AND ASSESSMENT ASSESSMENT AND ASSESSMENT AND ASSESSMENT AS	Other income	(388)	
THE RESERVE OF THE PERSON NAMED IN	Total Income		(18,944)
	Expenditure		
6,481	Repairs and maintenance	6,956	
5,791	Supervision and management	6,269	
10,211	Depreciation and impairment of fixed assets	7,391	
211	Increase in bad debt provision	280	
1,121	Other expenditure	956	
23,815	Total Expenditure		21,852
5,844	Net cost of HRA services as included in the		2,908
400	whole authority I&E account HRA services share of Corporate and		400
130	Democratic Core		108
-	HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services		(38)
5.974	Net Cost of HRA Services	2	2,978
	Gain on sale of HRA fixed assets		(2,104)
55 11 222 2 50 50 50	Interest payable and similar charges		1,612
3-76	Interest and investment income		(111)
14	Pensions interest cost and expected return on pensions assets.		103
1,636	Deficit for the year on HRA services	100	2,478

Housing Revenue Account

38

Statement of Movement on the HRA Balance

2008/09 £000s	2009/10 £000s
1,636 Deficit for the year on the HRA Income and Expenditure Account	2,478
(3,865) Net additional amount required by statute to be credited to the HRA Balance for the year	(4,087)
988 HRA Balance transferred to General Services	659
(1,241) (Increase) or decrease in the Housing Revenue Account Balance	(950)
(1,380) Housing Revenue Account surplus brought forward	(2,621)
(2,621) Housing Revenue Account surplus carried forward	(3,571)

Note to the Statement of Movement on the HRA Balance

008/09	2009	/10
£000s	£000s	£000s
Items included in the HRA Income and Expenditure Account		
but excluded from the movement on HRA Balance for the		
year		
(9,648) Depreciation and impairment of fixed assets	(6,933)	
5,281 Gain or loss on sale of HRA fixed assets	2,104	
(147) Net charges made for retirement benefits in accordance with FRS	(237)	
11		/E 000)
(4,514)		(5,066)
Items not included in the HRA Income and Expenditure		
Account but included in the movement on HRA Balance for		
the year		
258 Employer's contributions payable to the Lothian Pension Fund	241	
391 Loans fund principal	738	
 Capital expenditure funded by the HRA 	<u> </u>	
649		979
Net additional amount required by statute to be credited to	1 1	(4.087)
(3,865) the HRA Balance for the year		(4,007)

Council Tax Income Account

The Council Tax Income Account shows the net income raised from the Council taxes levied under the Local Government Finance Act 1992. The tax level depends on the value of the property. Certain prescribed dwellings are exempt and discounts are given to eligible taxpayers i.e. single occupants. A Council Tax benefit scheme is available to assist taxpayers on a low income.

2008/09 £000s	2009/10 £000s
(49,735) Gross council tax levied and contributions in lieu	(50,376)
37 Council tax benefits (net of government grant) Less:	12
- Discounts for prompt payment	12
4,088 Other discounts and reductions	4,191
546 Provision for bad and doubtful debts	497
(45,064)	(45,664)
197 Adjustments to previous years' community charge and councitax	il 573
(44,867) Transfer to General Fund	(45,091)

Non-domestic Rate Income Account

This account shows the income generated from the rate levied under the Local Government (Scotland) Act 1975 as amended by the Local Government Finance Act 1992 on non-domestic property.

The rates collected by all Councils in Scotland are "pooled" and then redistributed as part of the Revenue Support Grant - the main funding for Councils provided by the Government.

2008/09 £000s		2009/10 £000s
	Rates contributable to National Pool	
(22,721)	Gross rates levied & contributions in lieu (including transitional relief)	(24,433)
5,445	Reliefs and other deductions	6,045
19	Payment of interest	3
7	Provision & bad debts written off	1
(17,250)		(18,384)
456	Adjustments for years prior to introduction of national non-domestic rate pool	384
(16,794)	Net non-domestic rates collected	(18,000)
(35,609)	Contribution from the National Non-domestic Rate	(39,748)

Common Good Account

There are 4 separate Common Good Funds that were inherited from the former Burghs of Dunbar, Haddington, Musselburgh and North Berwick, and which are used to further the common good of the residents of these areas. Although the Common Good Funds are part of the Council and follow Council accounting policies, the finances of the Common Good must be kept separate from Council funds.

2008/09		2009/10
£000s		£000s £000s
come and	Expenditure Account for year	
	e de la contraction de la cont	
2	Expenditure	2
2	Employees Promises related expanditure	77
57	Premises-related expenditure	38
32	Supplies and services	567
30	Third party payments	66
70	Depreciation	750
191		7.50
	Income	
(542)	Rents and other income	(992
(542)	Loan interest	(16
(80)	Loan interest	(1,008
(622)		(1,000
(431)	(Surplus)/deficit for the year	(258
	Common Good Fund	
(2,467)	Balance brought forward on 1 April	(2,898
The state of the s	(Surplus)/deficit for the year	(259
(431)	(Sulpius)/delicit for the year	(200
(2,898)	Fund balance as at 31 March	-
(2,898)	Fund balance as at 31 March	-
(2,898)	Fund balance as at 31 March eet as at 31 March	-
(2,898) alance Sh	Fund balance as at 31 March eet as at 31 March Tangible fixed assets	(3,156
(2,898)	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets	(3,156
(2,898) alance Sh 2,343	Fund balance as at 31 March eet as at 31 March Tangible fixed assets	2,219
(2,898) alance Sh	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets	2,219
(2,898) alance Sh 2,343	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets	2,219
(2,898) alance Sh 2,343	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties	2,219 2,219 2,386
(2,898) alance Sh 2,343 - 2,343	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors	2,219 2,219 2,386
(2,898) alance Sh 2,343 - 2,343 - 1,098	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets	2,219 2,219 2,389 1,399
(2,898) alance Sh 2,343 - 2,343 - 1,098	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors	2,219 2,219 2,386 1,39
(2,898) alance Sh 2,343 - 2,343 - 1,098	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets	2,219 2,219 2,389 1,399
(2,898) alance Sh 2,343 - 2,343 - 1,098	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans	2,219 2,219 2,389 1,399
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities	2,219 2,219 2,389 1,399 15 432
(2,898) alance Sh 2,343 - 2,343 - 1,098	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans	2,219 2,219 2,389 1,39 15 432
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804	Fund balance as at 31 March eet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities	2,219 2,219 2,389 1,39 15 432 44
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804 (2)	reet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities Sundry creditors Total assets less liabilities	2,219 2,219 2,389 1,39 15 432 44
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804 (2) 6,243	Fund balance as at 31 March Teet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities Sundry creditors Total assets less liabilities Represented by:	2,21° 2,21° 2,38° 1,39° 15 432 44 (2
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804 (2) 6,243	Fund balance as at 31 March Teet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities Sundry creditors Total assets less liabilities Represented by: Revaluation Reserve	2,219 2,219 2,386 1,39 15 432 44 (2
(2,898) alance Sh 2,343 - 2,343 - 1,098 7 2,797 2,804 (2) 6,243	Fund balance as at 31 March Teet as at 31 March Tangible fixed assets Community assets Non-operational investment properties Long-term investments Long-term debtors Current assets Sundry debtors Short-term loans Current liabilities Sundry creditors Total assets less liabilities Represented by:	2,219 2,219 2,380 1,391

Trust Funds Account

The Council acts as majority or sole Trustee for 87 Charitable Trusts, Bequests and other funds, which are administered in accordance with the individual Bequest terms.

2008/09 £000s		2009/10 £000s
Income and	Expenditure Account for the year	-11-2
(04)	Income	100
(91)	Investment Income	(79)
(20)	Surplus on Sale of Investments	(30)
(32)	Rents & Other Income	(487)
(123)	F	(596)
20	Expenditure	20
38	Grants & Events	30
83	Property Costs	596
134	Loss on Sale of Investments	- 22
18	Other Costs	33
273		659
150	(Surplus)/Deficit for Year	63
Balance Sh	neet as at 31 March	
	Long-term Assets	
407	Land & Buildings	550
1,764	Investments	2,270
	Long-term Debtor	115
2,171		2,935
	Net Current Assets	
633	Short-term Loans	685
(51)	Less Current Assets/(Liabilities)	38
582		723
- 1	Long-term Liabilities	(298)
2,753	Net Assets	3,360
	Represented By:	
(278)	Capital Adjustment Account	(462)
(832)	Available for Sale Reserve	(1,318)
(1,643)	Accumulated Funds	(1,580)
(2,753)		(3,360)

1. Housing Revenue Account

Number and type of dwellings

	Stock at 1 April 2009	Sold in year	New Build	Bought in year	Stock at 31 March 2010
2 Apartment	1,625	4	2	3	1,626
3 Apartment	4,170	23	4	7	4,158
4 Apartment	2,018	10	7	2	2,017
5 Apartment	216	1	17	-	215
	8,029	38	13	12	8,016

Bad or Doubtful Debts

At the year-end, outstanding arrears totalled £1.34m (2008/09: £1.25m) or 8.6% (2008/09: 7.0%) of the rent collectable. A provision of £1.07m (2008/09: £0.95m) has been set aside in respect of uncollectable arrears.

2. Council Tax Income

Calculation of Council Tax Base

COUNCIL TAX BAND								
Α	В	C	D	E	F	G	Н	Total
1,182	9.397	13,963	5,293	5,701	4,209	3,447	557	43,749
1	22	95	31	27	32	21	2	231
(78)	(276)	(326)	(153)	(236)	(49)	(46)	(10)	(1,174)
(178)	(1,244)	(1,497)	(523)	(404)	(265)	(204)	(31)	(4,346)
927	7,899	12,235	4,648	5,088	3,927	3,218	518	38,460
6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
618	6,144	10,876	4,648	6,219	5,672	5,363	1,036	40,576
nt (2%)						1000000		(812)
								39,764
745.08	869.26	993.44	1,117.62	1,365.98	1,614.34	1,862.70	2,235.24	
	1,182 (78) (178) 927 6/9 618 ent (2%)	1,182 9,397 1 22 (78) (276) (178) (1,244) 927 7,899 6/9 7/9 618 6,144 ent (2%)	A B C 1,182 9,397 13,963 1 22 95 (78) (276) (326) (178) (1,244) (1,497) 927 7,899 12,235 6/9 7/9 8/9 618 6,144 10,876 nt (2%)	A B C D 1,182 9,397 13,963 5,293 1 22 95 31 (78) (276) (326) (153) (178) (1,244) (1,497) (523) 927 7,899 12,235 4,648 6/9 7/9 8/9 9/9 618 6,144 10,876 4,648 ant (2%)	A B C D E 1,182 9,397 13,963 5,293 5,701 1 22 95 31 27 (78) (276) (326) (153) (236) (178) (1,244) (1,497) (523) (404) 927 7,899 12,235 4,648 5,088 6/9 7/9 8/9 9/9 11/9 618 6,144 10,876 4,648 6,219 nt (2%)	A B C D E F 1,182 9,397 13,963 5,293 5,701 4,209 1 22 95 31 27 32 (78) (276) (326) (153) (236) (49) (178) (1,244) (1,497) (523) (404) (265) 927 7,899 12,235 4,648 5,088 3,927 6/9 7/9 8/9 9/9 11/9 13/9 618 6,144 10,876 4,648 6,219 5,672 ent (2%)	A B C D E F G 1,182 9,397 13,963 5,293 5,701 4,209 3,447 1 22 95 31 27 32 21 (78) (276) (326) (153) (236) (49) (46) (178) (1,244) (1,497) (523) (404) (265) (204) 927 7,899 12,235 4,648 5,088 3,927 3,218 6/9 7/9 8/9 9/9 11/9 13/9 15/9 618 6,144 10,876 4,648 6,219 5,672 5,363 ant (2%)	A B C D E F G H 1,182 9,397 13,963 5,293 5,701 4,209 3,447 557 1 22 95 31 27 32 21 2 (78) (276) (326) (153) (236) (49) (46) (10) (178) (1,244) (1,497) (523) (404) (265) (204) (31) 927 7,899 12,235 4,648 5,088 3,927 3,218 518 6/9 7/9 8/9 9/9 11/9 13/9 15/9 18/9 618 6,144 10,876 4,648 6,219 5,672 5,363 1,036 ant (2%)

3. Non-domestic rate account

Analysis of Rateable Values at 1 April 2009

Number	Rateable Value £000
1,292	17,601,205
798	9,928,790
1,114	22,577,512
3,204	50,107,507
	1,292 798 1,114

Rate Level

Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for East Lothian. The non-domestic rate poundage is determined by the First Minister, and was 48.5p (2008/09: 46.2p) per pound for properties with rateable value of £29,000 or more and 48.1p (2008/09: 45.8p) for those with a rateable value of less than £29,000. From 1 April 2009 additional relief was available for those with a rateable value of under £15,000.

4. Common Good Fund

The Common Good Funds once again operated at a surplus for the year, generating significant income from letting properties. Some of that income was used to maintain the assets and support events in their local communities.

Fixed Assets

The value of assets changed in the following way:

	Community Assets	Investment Properties	Total
	£000s	£000s	£000s
Net book value of assets at 31 March 2009	2,343		2,343
Movement in 2009/10			
Additions	3	₩.	3
Disposals	-	24	
Revaluations	(61)	-	(61)
Depreciation	(66)		(66)
Impairments		*	-
Internal Transfers	1940 B	-	-
Net book value of assets at 31 March 2010	2,219		2,219

Long-term Debtors

During the year a loan of £180,000 was provided to the Wrights and Masons Trust.

The proceeds from the finance lease are collected over the term of the lease, which creates a long-term debtor. The income receivable on this debt is:

	£000s
Income receivable in 2010/11	(35)
Income receivable between 2011/12 and 2015/16	(177)
Income receivable after 2016/17	(812)
Total assets at 31 March 2010	(1,024)

The balance of the long-term debtor shown in the Balance Sheet (£193,000) represents the value of the assets being re-acquired over the term of the lease.

Fund Analysis

The four separate funds are valued at 31 March 2010 as:

	Dunbar £000	Hadding- ton £000	Mussel- burgh £000	North Berwick £000	Total £000
Balance brought forward on 1 April 2009	(20)	(382)	(2,368)	(128)	(2,898)
(Surplus)/Deficit for the year	8	(28)	(224)	(14)	(258)
Fund balance as at 31 March 2010	(12)	(410)	(2,592)	(142)	(3,156)
Net Assets	1,075	475	4,483	408	6,441

5. Charitable Trusts

In-year Financial Performance

During the year 2009/10, the Trust Funds operated at a deficit of £63,000 (2008/09: deficit of £150,000), their overall value increased from £2.753m to £3.360m by 31 March 2010.

Property Asset Valuation

For most Trust property assets, an independent valuer assesses the value of land and buildings every five years based on the open market value for existing use.

Market Investment Valuation

Investments are valued each year by the Trusts' investment managers based on the listed market value of each investment on 31 March. The largest investments held by the Trusts on 31 March 2010 were:

2008/09 £000	Investment	2009/10 £000
105	UK Treasury Sep 07	102
77	Shell Ordinary Shares Eur 0.07	92
34	HSBC Holdings Ordinary Shares US \$0.50	81
61	British Petroleum Ordinary Shares US \$0.25	80
66	Investec Fund Managers Sterling Bond	77
-	JP Morgan IT Ordinary	75
	UBS Global Assets Mgt US Equity	63
51	Vodaphone Group Ordinary Shares US \$0.11	63
*	The European Investment Ordinary Shares	55
	Threadneedle Inv American Select	53
1,370	Other stocks, shares and cash	1,529
1,764	Total	2,270

Group Income and Expenditure Account

The Council has a range of interests in related companies. Details of these are provided in Note 18 to the Core Financial Statements. Some of these companies are included within the Group Accounts.

Restated Previous year Net Expenditure		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
£000s				
1,148	Central services	17,675	(14,150)	3,525
16,653	Cultural and related services	25,691	(7,125)	18,566
83,057	Education services	98,705	(12,203)	86,502
10,533	Environmental services	12,192	(1,124)	11,068
4,286	Housing services (non-HRA)	29,233	(24,662)	4,571
12,078	Joint Board requisitions	12,303	-	12,303
5,974	Local authority housing (HRA)	22,040	(19,065)	2,975
2,628	Planning & development services	4,230	(1,974)	2,256
9,378	Roads and transport services	18,650	(8,732)	9,918
53,521	Social Work services	71,468	(16,132)	55,336
	Corporate and democratic core Non-distributed costs	1,605	(1)	1,604
200000000000000000000000000000000000000	Gross Evnenditure Income and Net	212 702	(40E 400)	200 624
201,154	Expenditure of the Group	313,792	(105,168)	208,624
(892)	Share of (Surplus)/Deficit of Associates	28,303	(28,913)	(610)
200,262	Net Cost of Services	342,095	(134,081)	208,014
	0			
(5,223)	Gains on the disposal of fixed assets			(1,995)
(14)	Share of gains on the disposal of fixed assets of Associates			(7)
11,410	Interest payable and similar charges			11,853
174	Share of interest payable of			175
7417 = 201 E37	Associates			
(1,037)	Interest and investment income			(323)
(70)	Share of interest and investment income of Associates			(6)
542	Pensions interest cost and expected return on pensions assets			2,913
7,269	Share of pensions interest cost and expected return on pensions assets of Associates			7,723
213,313	Net Operating Expenditure			228,347
(A)	Council tax			(45,091)
	Community charge arrears			(107 641)
	General government grants Non-domestic rates redistribution			(127,641) (39,748)
(33,003)	-			(00,11,10)
10,039	(Surplus)/Deficit for the Year			15,867

Reconciliation of the Council Surplus/Deficit to the Group Surplus/Deficit

Previous Year £000s		Current Year £000s
4,026	(Surplus)/deficit for the year on the Authority Income and Expenditure Account	8,599
	(Surplus)/deficit in the Group Income and	
4,026	Expenditure Account attributable to the Authority	8,599
	(Surplus)/deficit in the Group Income and	
	Expenditure Account attributable to group entities;	
(454)	Subsidiaries	(7)
6,467	Associates	7,275
10,039	(Surplus)/deficit for the year on the Group Income and Expenditure Account	15,867

Group Statement of Total Recognised Gains and Losses

Current Year		Previous Year
£000s		£000s
15,867	(Surplus)/deficit for the year on the Income and Expenditure Account	10,039
2	(Surplus)/deficit arising on financial instruments	1
2,547	(Surplus)/deficit arising on revaluation of fixed assets	(834)
235	(Surplus)/deficit arising on revaluation of available- for-sale financial assets	745
-	(Surplus)/deficit arising on revaluation of investments	
(76)	(Surplus)/deficit arising on Capital Adjustment Account	3
9	Other (gains)/losses included in the STRGL	2
136,110	Actuarial (gains) /losses on pension fund assets and liabilities	40,526
154,694	Total recognised (gains)/losses for the year Prior perod adjustments	49,661
up di	Deficit arising from the revaluation of interest on stepped loans prior to 1 April 2007	-
154,694	(Increase)/decrease in Balance Sheet value	49,661

Group Balance Sheet as at 31 March 2010

Restated 31 March 2009	diance officer as at of Warein 2010	31 March 2010
£000s		£000s
	Fixed assets	
995	Intangible fixed assets	3
	Operational assets	
235,518	Council dwellings	235,533
411,614	Other land and buildings	416,113
7,901	Vehicles, plant, furniture and equipment	7,144
45,191	Infrastructure assets	46,498
18,369	Community assets	19,081
	Non-operational assets	1,000,000
	Investment properties	16,300
	Assets under construction	19,018
THE RESIDENCE OF THE PARTY OF T	Surplus assets held for disposal	598
	Total fixed assets	760,288
	Long-term investments	2,715
	Long-term debtors	2,878
The second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a section in the second section in the section is a section in the section in the section is a section in the section in the section is a section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section in the section is a section in the section in the section in the section is a section in the	Other Investments	2,270 768,151
746,829	Total long-term assets	700,151
407	Current assets	425
	Stocks and work in progress	425
100000000000000000000000000000000000000	Short-term loans	15,065
	Debtors and prepayments Cash and bank	1,146
	Total assets	784,787
704,221	Current liabilities	104,101
/1 9951	Borrowing repayable on demand or within 12 months	(1,589)
	Creditors	(21,930)
The state of the s	Cash and bank	(21,000)
(30,071)	Gasir and barn	(23,519)
112001100000 100		- Newtonia
734,150	Total assets less current liabilities Long-term liabilities	761,268
(172,622)	Borrowing repayable within a period in excess of 12 months	(203,520)
	Provisions	(1,235)
(50,703)	Government grants and other contribututions deferred	(60,684)
(5,867)	Deferred liabilities	(5,295)
ACCUPATION FOR THE PARTY OF THE	Liability related to defined pension benefit schemes	(142,773)
	Finance lease liability	(48,186)
NAME AND ADDRESS OF TAXABLE PARTY.	Investments in associates and joint ventures	(163,213)
291,056	Total assets less liabilities	136,362
	Financed by	
(3,764)	Revaluation Reserve	(15,518)
(856)	Available-for-sale Financial Instruments Reserve	(135)
	Capital Adjustment Account	(409,564)
	Financial Instruments Adjustment Account Deferred Premiums	5,409
168.540	Pensions Reserve	309,686
10000000000000000000000000000000000000	Employee Adjustment Account	370
	Capital Fund	(2,941)
The second secon	Capital Receipts Reserve	(963)
	Government Grants Unapplied	
	Investments Revaluation Balance	(1,318)
	Insurance Fund	(1,088)
(1,104)	modranes rang	The second secon
	Housing Revenue Account Balance	(3,571)
(2,621)	Housing Revenue Account Balance - Called Up Share Capital	W. C. C.
(2,621)	Housing Revenue Account Balance	(3,571) (16,729) (136,362)

Group Cash Flow

This statement summarises the inflows and outflows of the Group arising from transactions with third parties for revenue and capital purposes.

Previous Year		Current	Year
£000s		£000s	£000s
(18,395)	Net Cash (Inflow)/Outflow from Revenue Activities		(17,082
(69)	Dividends		(69
	Returns on Investments and Servicing of Finance		
8.059	Interest paid	8,186	
	Interest element of finance lease	193	
	Interest received	(151)	
7,318	- Contract Contract Section (Contract Contract C		8,22
: <u>u</u>	Taxation		
	Capital Expenditure and Financial Investment		
50,033	Purchase of fixed assets	51,920	
(161)	Purchase of long-term investments	2,400	
A 1-14 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A	Sale of fixed assets	(4,782)	
The second secon	Capital grants received	(10,104)	
33,880			39,43
2	Equity Dividends Paid		
	Acquisitions & Disposals		
22,734	Net Cash Inflow before Financing	2/ <u>-</u>	30,51
	Management of Liquid Resources		
(4,571)	Net increase/(decrease) in short term loans	(9,489)	
	Financing		
	Repayments of amounts borrowed	1,344	
F CO C C C C C C C C C C C C C C C C C C	Capital element of finance lease rental payments	35	
	New loans made	269	
-	New loans raised	(29,190)	(37,031
9,082	Net (increase)/decrease in cash	-	(6,520

Notes to the Group Financial Statements

Combining Entities

Alongside its investments, East Lothian Council has an interest in a number of associate and subsidiary companies. For the purposes of consolidation and incorporation within the Group Accounts recognition of these interests has been made as follows.

The under noted entities along with the relative share have been treated as associate companies within the terms of the Statement of Recommended Practice (SORP). These associate companies have been incorporated in line with the draft financial statements made available to East Lothian Council.

Organisation	Percentage Share in Associate (%)	Accounting Period	
Lothian Valuation Joint Board	10.99%	Twelve months to 31/03/2010	
Lothian & Borders Police Board	8.25%	Twelve months to 31/03/2010	
Lothian & Borders Fire and Rescue Board	6.73%	Twelve months to 31/03/2010	
SESTRANS	6.33%	Twelve months to 31/03/2010	

The under noted entities, together with the percentage of shares owned, are regarded as group subsidiary companies in line with the Statement of Recommended Practice (SORP). For the purposes of the Group Accounts this means that the income, expenditure and annual surpluses or deficits of subsidiaries are combined within income, expenditure and annual surpluses or deficits relating to main council services.

Organisation	Percentage Share in Subsidiary (%)	Accounting Period	
East Lothian Land	100.00%	Twelve months to 31/03/2010	
Common Good Accounts	100.00%	Twelve months to 31/03/2010	
Charitable Trusts	100.00%	Twelve months to 31/03/2010	
Musselburgh Joint Racing Committee	100.00%	Twelve months to 31/03/2010	

No subsidiaries have been excluded.

The annual accounts for the Common Good Funds and Charitable Trusts are included at pages 55 to 56. The net value of the Charitable Trusts included within the Group Accounts is £3.40million. The nature of the assets is explained in Note 5 to the Supplementary Financial Statements on page 59.

The Council acts as a majority or sole Trustee for 87 Charitable Trusts, Bequests and other funds.

The individual accounts relating to East Lothian Land and the Musselburgh Joint Racing Committee are available from the Head of Finance, East Lothian Council, John Muir House, Haddington, EH41 3HA.

Nature of Combination

Associates

East Lothian Council is involved in the above named associates as one of the constituent authorities of these statutory Joint Boards. The Council's share of the net assets of these associates is shown as a long-term liability on the Balance Sheet. Any share of reserves is included within the reserves of the Group. It is not considered that any goodwill exists from this interest in associate companies.

No shares are issued and the relative split of assets and reserves are in line with the Grant Aided Expenditure notified by the Scottish Executive.

Subsidiaries

The Council is sole shareholder, at a cost of £800,000, in East Lothian Land Limited, set up in 2000 for the purpose of managing land to support economic development in East Lothian. The accounts for the last period of trading to 31 March 2010 show net assets of £638,000 (2009: £395,000), and a profit before taxation of £243,000 (31 March 2008: Loss of £8,000). The company has retained all profit. No dividend was received. The value of East Lothian Land is included within the Council accounts at the net asset value noted above.

In 1994 East Lothian District Council, along with the Lothians Racing Syndicate Limited, set up the Musselburgh Joint Racing Committee. The remit of the Committee is to organise and develop horse racing at Musselburgh Links. No shares are issued. The Council nominates four of the seven Committee members with the other three nominated by the Syndicate. East Lothian Council inherited an interest in this subsidiary company as a result of local government re-organisation in 1996. A financial interest exists since the Council may be required to bear any financial losses of the Committee. As no consideration was given for this interest, there is no goodwill arising from this interest. No dividends will be received. This subsidiary has been incorporated in line with the financial statements made available to East Lothian Council.

Financial Impact of Consolidation

The effect of inclusion of the associate and subsidiary companies on the Group Balance Sheet is to reduce Net Assets and Reserves by £153 million. This is as a result of East Lothian Council's share of the pension liabilities of the Joint Boards.

Reconciliation of Surplus to Net Revenue Cash Flow

	Total
	2010
General services deficit/(surplus) for year	7,712
Net Contribution from/(to) reserves (excl interest)	-
Interest paid (net)	(6,969)
Finance lease payments	(228)
Depreciation and impairment of fixed assets	(24,769)
Deferred assets written down	1
Government grants deferred amortised	2,595
Net gains on sale of fixed assets	2,832
Net charges for retirement benefits in accordance with FRS 17	(12,686)
Employer's contributions to the Lothian Pension Fund	12,865
Financial instrument valuation adjustments	98
(Increase)/decrease in revenue long term-debtors & liabilities	2,793
Increase/(decrease) in stock	1
Increase/(decrease) in other current assets	(1,402)
(Increase)/decrease in revenue creditors	76
NET CASH (INFLOW) FROM REVENUE ACTIVITIES	(17,082)

Annual Governance Statement

East Lothian Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. East Lothian Council also has a duty under the Local Government (Scotland) Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In June 2010, East Lothian Council adopted a local code of Corporate Good Governance based on six key principles:

- Focusing on the purpose of the authority; on outcomes for citizens;
 and, service users and creating and implementing a vision for the area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capabilities of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

A task group comprising the Head of Governance & Performance Management, Head of Finance, Chief Social Work Officer, Head of Law & Licensing and Internal Audit carried out a self-evaluation during 2009/10 to assess the extent to which the Council meets the principles and requirements of the code. The evaluation covered the subsidiaries included in the Group Accounts but not the associates. The associates are covered by the Annual Governance Statement of the lead authority for the Joint Boards, which is the City of Edinburgh Council (CEC).

The evaluation by the task group found that the Council generally has good governance and control arrangements in place across the six principles. There were however a number of areas where improvement is required and the following improvement points were reported to the Council's Corporate Governance Policy, Performance & Review Panel (PPRP) in June 2010:

- Review and revise the Council's vision, priorities and policies in accordance with recent developments including the Single Outcome Agreement (SOA). This will allow a clearer, cohesive purpose and vision to be adopted, communicated and promoted.
- A 'How Good is our Partnership' self-evaluation framework is to be developed to review the effectiveness of the Council's partner relationships. This, in addition to a Partnership Financial Strategy that is being developed will aim to ensure that partnerships are underpinned

- by a common vision of their work that is understood and agreed by all partners.
- A comprehensive performance report, including reference to financial information and context is to be published on the Council's website to communicate the authority's activities and achievements, its financial position and performance.
- Implementing the recommendations of the Review of PPRPs and Audit Committee and promoting the new Councillors' Continuous Professional Development (CPD) will improve scrutiny and review and assist in clarifying the respective roles and responsibilities of members and senior officers.
- The Council's Scheme of Delegation will be reviewed bi-annually (or as and when required) to ensure that the responsibilities of members and officers are carried out to a high standard.
- A review of the effectiveness of multi-member wards is to be carried out, including consideration of the respective roles of members and officers in relation to multi-member wards. This will ensure effective communication between members and officers in their respective roles.
- A comprehensive engagement and consultation strategy, including improving/increasing service user involvement in the review and development of Council services is to be developed and implemented.
- The implementation of the Council Management Information System (CMIS) upgrade will contribute to ensuring that the proceedings and decision- making of the council are open and transparent to the community, service users, partners and staff.
- The reports template will be reviewed and refreshed and guidance/training on report authorship will be provided to ensure staff are aware of relevant requirements including that professional advice on legal or financial implications is available and recorded.
- The production of the Corporate Risk Register will help to ensure that risk management is embedded into the culture of the authority.
- Promotion of the recently revised Whistleblowing policy will assist in ensuring that staff and all those contacting the authority have access to these arrangements.

East Lothian Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal financial control. The Internal Audit Manager has provided an assurance statement on the effectiveness of the system of internal control which is informed by:

- · The work of managers within the Council
- · An annual declaration from all Chief Officers
- The work of Internal Audit
- The External Auditor in their annual audit letter and other reports
- Reports issued by other review agencies and inspectorates.

Progress has been made towards achieving the improvements included in the Statement on the System of Internal Financial Control for 2008/09 and the need for improvement of management processes has been identified in 2009/10 for the following:

- Budget monitoring processes are currently being reviewed following unanticipated under spends in some business groups
- · A review of the controls surrounding payments to employees who are absent from work is required to ensure that all payments have a contractual basis
- · Adherence to procedures for year- end accruals and prepayments needs to be improved in some business groups
- A corporate strategy for Partnership Finance is being developed which should improve the controls surrounding grant funding.

Alan Blackie

Chief Executive 30 September 2010 Paul McLennan Council Leader

30 September 2010

David Spilsbury Head of Finance

30 September 2010



Proposed Independent Auditor's Report

Independent auditor's report to the members of East Lothian Council and the Accounts Commission for Scotland

I certify that I have audited the financial statements of East Lothian Council for the year ended 31 March 2010 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash-Flow Statement, the Housing Revenue Account Income and Expenditure Account, Statement of Movement on the HRA Balance, the Council Tax Income Account, the Non-Domestic Rate Income Account, the Common Good Account, the Trust Funds Account and the related notes and the Statement of Accounting Policies together with the Group Accounts. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Head of Finance and auditor

The Head of Finance's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice (the 2009 SORP) are set out in the Statement of Responsibilities for the financial statements.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

I report my opinion as to whether the financial statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

In addition, I report to you if, in my opinion, the council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Annual Governance Statement reflects compliance with the SORP, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risk and controls, or form an opinion on the effectiveness of the council's corporate governance procedures or its risk and control procedures.

I read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword by the Head of Finance. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.



Basis of audit opinion

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Head of Finance in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements

- give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, of the financial position of East Lothian Council as at 31 March 2010 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

Gilliar Wagha.

Gillian Woolman FCA, Assistant Director Audit Scotland – Audit Services Osborne House, 1/5 Osborne Terrace Edinburgh, EH12 5HG

30 September 2010